

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: April 3, 1995

SUBJECT: **SB 1180 - HB 1497**

This bill, if enacted, will authorize the Tennessee State Racing Commission to extend jurisdiction to include regulation of casino gaming with all the powers and duties presently imposed upon the Commission for regulating horse racing. Casino gaming includes various activities on a gambling boat. The Commission would have full jurisdiction to supervise gambling operations, investigate applicants and determine eligibility. The bill provides that no license to conduct casino gaming or gambling games on a boat in a city or county shall be issued until qualified voters of the city or county approve such activities. The bill provides for various prohibited acts and felony provisions and also provides for various license and application fees for applicants and admission fees for each person embarking on such boat.

The fiscal impact from enactment of this bill is estimated to be an increase in revenue to the state and local governments. Such increased revenue will depend upon the number of municipalities in which such gaming is authorized and the number of boats in operation. A reasonable estimate of the increase cannot be determined but is

estimated to exceed \$10,000,000 to the state and \$3,000,000 to local governments assuming one boat is operational.

Increased expenditures to the state for administration is estimated to total approximately \$900,000 of which approximately \$100,000 will be a one-time cost.

The fiscal impact on local governments from the misdemeanor offenses will depend upon the number of persons convicted of the offense and the resultant increased cost to local governments to confine such persons versus the increased revenues to local governments from fines levied and collected under the provisions of this bill. Therefore, the fiscal impact cannot be readily determined, but is not estimated to be significant.

Further, the fiscal impact from the new felony provisions is estimated to be an increase in state expenditures of \$21,497 for incarceration*. This estimate is based upon one conviction every three years receiving a sentence of up to eight years with 30% or two years and five months actually being served.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

**Section 9-6-119, TCA, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state*

facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law.